

Extracted from Annex 2 of *International Experience with Civil Service Censuses and Civil Service Databases* by Neil McCallum and Vicky Tyler. International Records Management Trust, London UK, May 2001. This case study was authored by The International Records Management Trust.

CASE STUDY 2

NIGERIA

Background

In July 2000, the Federal Government of Nigeria directed the Office of the Head of Civil Service of the Federation, in conjunction with the Federal Ministry of Finance and the Office of the Accountant General of the Federation to conduct a manpower audit in the Federal Civil Service. A high-level implementation committee was set up to oversee the exercise with a technical committee to monitor the implementation. The audit exercise commenced in July 2000 and involved thirty local consultants.

The goal of the audit was to produce an accurate record, department by department, of actual staff on strength, through a head count of each location, and then to use this information to eliminate fraud and correct the payroll. The consultants were asked to examine the total strength of the Federal Civil Service and to prepare a comprehensive nominal role for each ministry and extra-ministerial department. They were to:

- determine the actual personnel costs for the period January 1997 to June 2000
- assess the extent of financial loss through the ghost worker phenomenon and other financial practices by comparing the numbers of workers on the ground with the number on the payroll.
- study the existing record keeping arrangements with a view to identifying strengths and weaknesses
- make recommendations on how the Government could eliminate the incidence of ghost workers and other financial malpractices relating to the management of the Federal payroll.

Methodology

The methodology involved questionnaires, physical head count, preparation of comprehensive nominal rolls, scanning photographs and using file numbers to locate the relevant individuals, compiling actual personnel costs and calculating personnel costs based on head counts as reflected in the nominal roll.

A programme-facilitating meeting was held to analyse the different tasks involved in the audit exercise. Afterwards, familiarisation visits were made to the headquarters of the agencies where preliminary information was obtained. There were meetings with permanent secretaries where the objectives of the exercise were discussed. Subsequently, directors of personnel management mapped out ways and means of achieving the objectives of counting staff.

University graduate auditors were employed and given training on practical data collection, spreadsheet preparation, simple evaluation of staff payroll records and

psychological questioning. The audit staff were deployed in adequate numbers to each state covered by the exercise.

A special instructional guide was prepared to elicit relevant data from the field. The guide contained a step-by-step approach required by auditors in eliciting the required information. The guide also included the formats of the nominal roll and the personnel emoluments records.

The field data was captured in two main spreadsheets, the nominal roll and the accounting record spreadsheets. The nominal roll and the accounting records were processed using Microsoft Excel software. Recent colour passport photographs were collected from each worker and scanned. Each photograph was then assigned a unique image file number. The image file number was recorded in the nominal roll so as to facilitate easy access to the photograph of each member of staff when required. The same software was used for the accounting records prepared in matrices showing the total gross personal emoluments of all staff between January 1997 and June 2000.

There were two main computer programmes designed for the project. The first concerned the reconciliation of pertinent facts for a given member of staff in relation to four data sources:

- the employment or personnel file
- the personnel emoluments records
- the payroll of the Ministry or extra-ministerial department
- pre-audit questionnaires.

The aim was to compare the audit results with existing data and to identify areas of, and reasons for, variance.

The staff appeared in groups before a panel of auditors. Each was required to appear with his or her employment file, which contained, or should have contained relevant documents that showed that he or she was a *bona fide* employee. The file was intended to serve as a control, and an effort was made to match the facts in the file and those on the completed questionnaires.

The second computerised programme was developed to reconcile the photographs with the other records. The images were linked to the personnel file numbers.

During the interviews, staff were questioned about the facts in the file as well as in the questionnaire in order to authenticate the information provided. The interviews were conducted in the open so that other staff members could corroborate the information supplied by the interviewee.

Staff Audit Exercise

The consultants worked in two teams of approximately fifteen consultants each. Each team was co-ordinated by a managing consultant under the overall supervision of the Ministry of Establishments and Management Services (MEMS). The total exercise entailed several hundred audit staff visiting federal government offices throughout the country. It was not a sample survey, but a full head count, planned on an expected Federal Civil Service size of around 240,000. It covered all the ministries and extra-ministerial departments of the Federal Government, but excluded the armed forces, commercial and sub-vented parastatals. Effectively, it embraced all the organizations where payrolls were funded with personal emoluments allocations in the Federal Government budget. In terms of total Federal Government public employees, the staff audit covered about 45%.

The process started with MEMS providing the consultants with a list of all Federal Government establishments in both Abuja and the states. Each location was sent a supply of standard forms for every member of staff to complete. The forms captured basic details, comprising:

- name
- sex
- designation
- qualification
- grade level/step
- personnel file number
- date of birth
- date of first appointment
- date of confirmation of appointment
- date of present appointment
- department
- location
- state of origin
- local government
- remarks

- image file number.

The consultants were equipped with a letter from the Head of the Civil Service of the Federation requiring cooperation. On the day of the physical head count, which coincided with pay day, staff was asked to line up and present their forms, together with a coloured photograph and their personal file. The forms were then checked against the information on file and signed off by the staff's supervisor. Disparities and suspect submissions were noted, and the data were transferred to a spread sheet. In addition, information on pay was entered on to a second spreadsheet, cross-checking the forms with the departmental personnel emolument cards for each staff member.

Impediments to Accurate Data Gathering

Despite their careful preparations, the consultants encountered a number of constraints in attempting to gather accurate information. These included general constraints, deliberate manipulation and weak personnel information. Many of the first two sets of constraints had been anticipated, and a number of safeguards had been put in place. The latter was a systemic issue that required a longer-term solution.

General Constraints

- The questionnaires administered to workers did not include spaces for state of origin and local government area, and this necessitated repeat calls on the respondents for the information.
- The workers did not properly complete the questionnaires and this resulted in repeat calls for information.
- Many workers were ignorant of some of the data relating to them that they gave conflicting information about their age, personnel file number, date of present appointment, etc.
- Many of the workers were absent from the head count as a result of being on leave, on training courses, hospitalised or away from their stations for other reasons.

Deliberate Manipulation

A range of problems was encountered. Notably:

- Service numbers of deceased staff were sold.
- Some officers used numbers that were not assigned to them.

- In some cases several people shared the same numbers.
- Some workers were found to be engaged in multiple employment.
- Workers completed the questionnaire improperly.

Weak Personnel Information

The consultants were expected to compile and collate information about all existing staff through their personnel files, personnel emolument records and the comprehensive nominal roll. There were major problems in extracting information due to the poor state of the available documents. The major difficulties were:

- Numbering systems were inconsistent between and within ministries.
- Records were irregular and inconsistent.
- Some workers claimed that original letters had been sent for gazetting.
- Many of the staff who presented sworn affidavits for the loss of appointment letters were found to be ghost workers.
- Records were defective in many cases – there were many gaps in vital information.
- Poor record keeping had resulted in mutilation of documents, incomplete information, often essential information.
- Some personnel files were not available or could not be found at all.
- The centralised personnel records system made it difficult to isolate the zonal records.
- Adequate and proper records had not been kept by the accounts departments.

Findings

Having completed the fieldwork, the consultants drew up revised versions of departmental nominal polls (staff on strength) and payrolls.¹ Names were eliminated

¹ A typical ministry will have a Department of Personnel Management responsible for maintaining the nominal roll of the ministry, and dealing with appointments, transfers, performance reviews, training, discipline etc. There will also be a Department of Finance and Supplies, within which there will be an Accounts Division, responsible for operating the payroll. The payroll should reflect information in PE cards, derived from staff personnel files maintained by the Personnel Department. In headquarters

from the payroll that did not appear in the revised nominal roll. In addition, using the information in the staff forms, the consultants checked the accuracy of staff emoluments by comparing the payroll with what an officer is entitled to receive in pay and with allowances on the basis of the completed forms. A check was also made on the authenticity and completeness of appointment documentation. While a staff audit is not foolproof (documents can be falsified, complicit supervisors can vouch for incorrect personnel records, absentee staff can be tipped to turn up for the head count) the exercise should allow the Government to re-validate all appointments in the course of drawing up more credible nominal rolls.

The main focus of the staff audit or census was a head count, to determine who was actually on strength and whether names on a payroll belonged to genuine public employees. The picture that emerged is that payroll fraud in Nigeria is not simply a matter of ghost workers alone - fictitious names on departmental payrolls which, once detected, can be eliminated immediately - but rather a spectrum of different types of abuse.

Traditional ghost workers exist, and the audit identified them, but there were other forms of payroll irregularity, which the consultants termed 'non-apparent ghosts'. Examples of this category were staff who had more than one job in the public sector, staff who enjoyed levels of pay or allowances greater than their entitlement, staff who might be on temporary absence (eg studying) yet continued to draw full salary, and staff who had been transferred or retired. There are also staff whose appointment documentation was incomplete, either because the proper processes were deliberately sidestepped, or because of slipshod paperwork. In certain departments where jobs command high control rents, the problem appeared not to be so much one of ghost workers, as impersonation or inheritance of posts. Finally, there were staff who had appointment letters, but for whom no real job existed because they had been recruited in contravention to position controls. It was clear that control systems had broken down in the last decade of military rule, encouraging collusion between hirer and employee.

There appeared to be two related but separate problems. The first was payroll abuse, such as ghosts and fraudulent allowances. A staff audit is the correct instrument to diagnose payroll abuse, and the solution is payroll cleansing using the corrected nominal rolls and personal forms. The second problem is hiring in excess of authorised positions. Here the staff concerned are real people, not ghosts, and cannot be 'cleansed' from the payroll so readily. Unless the staff audit detected fraudulent documentation, the individuals concerned were *bonafide* civil servants. In order to determine whether recruitment has been in excess of approved positions it will be necessary to carry out another exercise to check nominal rolls against establishment registries.

Given the spectrum of different forms of payroll irregularity, it is likely that it will take many months of sustained action to translate findings into cleaned payrolls. There is a need both to set in train the required payroll corrections and to address the fiscal impact

departments the roll itself typically will be a computer print-out listing each officer: name, personnel number, basic salary, allowances, gross pay. In remote locations the payroll may be manually maintained.

of the wage bill blow-out. The first task should be to translate the staff audit findings into an action plan to reduce the pressure on the wage bill and restore control over personnel. To the extent that there are fictitious names on the payrolls of departments, these can be eliminated at a stroke, and the fraud ended. People enjoying levels of salary or allowances in excess of entitlements will have payments stopped, though this will take longer, since there may be a need to investigate particular cases further and hear appeals. Staff members who are double dipping most likely should be subject to disciplinary action, though investigations may well be required, together with a process to handle appeals. Staff who have been hired without the full documentation are a difficult category to evaluate and may also have to be dealt with on a case by case basis.